

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2013**

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Central Louisiana AHEC, Inc.  
Alexandria, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of Central Louisiana Area Health Education Center, Inc. ( a nonprofit organization ), which comprise the statement of financial position as June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the presentation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also involves evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central La. AHEC, Inc., as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 17, 2013 on my consideration of the Organization's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance and should be read in conjunction with this report.



Certified Public Accountant  
September 17, 2013

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER , INC.**

**STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013**

**ASSETS**

Cash and Cash Equivalents	\$ 350,762
Accounts Receivable	50,460
Property and Equipment, Net of Accumulated Depreciation	5,594
Other Assets	<u>4,890</u>
Total Assets	<u><u>\$ 411,706</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts Payable	\$ 17,453
Salaries Payable	17,417
Accrued Payroll Taxes	1,323
Compensated Absences Payable	<u>11,936</u>
Total Liabilities	48,129
Net Assets:	
Unrestricted Net Assets	<u>363,577</u>
Total Liabilities and Net Assets	<u><u>\$ 411,706</u></u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER , INC.**

**STATEMENT OF ACTIVITIES**

**For The Year Ended**

**JUNE 30, 2013**

	<u>Unrestricted</u>
<b>SUPPORT AND REVENUE</b>	
Support	
LSU Medical Center	\$ 438,582
Office of Adolescent Health-Teen Pregnancy Prevention	392,506
Rapides Foundation-Tobacco-Free Living	148,555
Vets Mental Health	2,900
Cancer Control	51,509
Sponsor Revenue	18,911
Career Investigation	2,558
SEARCH	1,917
Career MD	1,700
Other Revenue	4,259
Interest Income	<u>5</u>
 Total Support and Revenue	 <u>1,063,402</u>
 <b>EXPENSES</b>	
Program Services	
Educational Programs	368,472
Program Management	<u>368,472</u>
 Total Program Services	 <u>736,944</u>
 Support Services	
General & Administrative	<u>300,341</u>
 Total Support Services	 <u>300,341</u>
 Total Expenses	 <u>1,037,285</u>
 <b>Change in Net Assets</b>	 26,117
<b>Net Assets, Beginning of Year</b>	<u>337,460</u>
 <b>Net Assets, End of Year</b>	 <u><u>\$ 363,577</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For The Year Ended  
JUNE 30, 2013

	PROGRAM SERVICES			SUPPORT SERVICES		
	Educational Programs	Program Management	Total	General & Administrative	TOTAL EXPENSES	
Salaries	\$ 145,536	\$ 145,536	\$ 291,072	\$ 145,536	\$ 436,608	
Payroll Taxes and Benefits	26,204	26,204	52,408	26,204	78,612	
Program Expenses	120,391	120,391	240,782	-	240,782	
Insurance	-	-	-	4,900	4,900	
Professional	-	-	-	8,194	8,194	
Travel	20,342	20,342	40,684	20,342	61,026	
Supplies	19,040	19,040	38,080	-	38,080	
Duplication/Printing	-	-	-	4,312	4,312	
Telephone/Communication	3,925	3,925	7,850	3,926	11,776	
Equipment Purchases and Repairs	-	-	-	4,101	4,101	
Postage	-	-	-	1,844	1,844	
Office Lease and Occupancy	-	-	-	46,962	46,962	
Other Expense	32,550	32,550	65,100	33,537	98,637	
Total Expenses Before Depreciation and Other Deductions	367,988	367,988	735,976	299,858	1,035,834	
Depreciation	484	484	968	483	1,451	
TOTAL EXPENSES	\$ 368,472	\$ 368,472	\$ 736,944	\$ 300,341	\$ 1,037,285	

The accompanying notes are an integral part of these financial statements

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER , INC.**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended**  
**JUNE 30, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 26,117
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,451
(Increase)Decrease in Accounts Receivable	50,969
Increase (Decrease) in Accounts Payable	7,582
Increase (Decrease) in Compensated Absences Payable	<u>(6,217)</u>
Net Cash Provided by Operating Activities	<u>79,902</u>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	 79,902
 <b>Cash and Cash Equivalents, July 1, 2012</b>	 <u>270,860</u>
 <b>Cash and Cash Equivalents, June 30, 2013</b>	 <u><u>\$ 350,762</u></u>

There were no non-cash investing or financing transactions for the year ended June 30, 2013.

There were no income taxes or interest paid for the year ended June 30, 2013

The accompanying notes are an integral part of these financial statements.



**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1 Summary of Significant Accounting Policies**

**Organization**

Central Louisiana Area Health Education Center, Inc. (CLAHEC) is a Louisiana non-profit corporation chartered on January 6, 1992. Its purpose is to operate an area health education center in Central Louisiana in order to plan for additional clinical education opportunities in rural and underserved communities.

CLAHEC is exempt from Federal income taxes under the provisions described in Section 501C (3) of the Internal Revenue Code.

**Basis of Accounting**

The accounting policies of CLAHEC conform to generally accepted accounting principles as applicable to non-profit organizations, (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Financial position and activities are reported according to unrestricted net assets, temporarily restricted net assets or permanently restricted net assets depending on donor stipulations.

Restricted net assets represent resources currently available for use, but expendable only for those operating purposes specified by the grantor or donor. Resources of this type originate from grants and contracts. It is CLAHEC's policy to report all such revenues as unrestricted if the restrictions are met in the reporting period.

**Revenue and Expenses**

Support for CLAHEC is provided by Louisiana State University and Agricultural and Mechanical College acting on behalf of the Louisiana State University Medical Center (LSUMC). LSUMC has been awarded grants by both the Federal government and the State of Louisiana and has contracted with CLAHEC to provide the services required by these grants.

Expenditures are made in accordance with a budget which has been adopted and made a part of the contractual agreement with LSUMC. CLAHEC is reimbursed by LSUMC for costs incurred in carrying out the provisions of the agreements.

**Equipment**

The cost of office furniture and equipment was not capitalized during the initial year of CLAHEC's grant agreement with LSUMC. According to the contractual agreement between LSUMC and CLAHEC, title to the equipment purchased under the agreement during the fiscal year ended June 30, 1992 shall remain with LSUMC.

The cost of office furniture and equipment purchased in years subsequent to June 30, 1992 has been capitalized at a historical cost that exceeds \$ 1,000. Depreciation of furniture and equipment is provided over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives of the assets range from three to fifteen years.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management.

**Compensated Absences**

CLAHEC accrues compensated absences up to a maximum of 96 hours that can be carried over into the next fiscal year. Compensated absences include vacation and sick leave which can be compensated up to 136 hours of accumulation. An amount has been recorded in the financial statements for this liability.

### **Cash Flow Information**

For purposes of the statement of cash flows, management considers all short-term investments with a maturity of three months or less to be cash equivalents.

### **NOTE 2 Cash and Cash Equivalents**

Cash and cash equivalents at June 30, 2013 totaled \$ 350,762 (book balance) and \$ 341,929 (bank balance). These deposits are held by local financial institutions and insured by FDIC.

### **NOTE 3 Accounts Receivable**

Accounts receivable at June 30, 2013 totaled \$ 50,460 and consisted of amounts due from other agencies. Management believes these amounts are fully collectible, and accordingly, no bad debt expense has been recognized. The following are due to AHEC.

Sponsors	\$ 1,005
CLAHEC	1,300
Office of Adolescent Health	43,378
Cancer Control	4,776
	<u>\$ 50,459</u>

### **NOTE 4 Property and Equipment**

Property and equipment used in program and support services and capitalized as described in Note 1 is as follows:

	Computers	\$ 19,427
	Learning Resource Center	1,845
	Other Equipment	29,876
	Equipment-Baton Rouge	2,513
	Furniture	21,614
	Leasehold Improvements	3,075
Less:	Accumulated Depreciation	(72,756)
	Net Property & Equipment	<u>\$ 5,594</u>

Depreciation expense for the year ended June 30, 2013 totaled \$ 1,451.

### **NOTE 5 SEP/IRA**

CLAHEC contributed 10% for each full time employee to a SEP-IRA plan for the year ended June 30, 2013.

### **NOTE 6 Economic Dependence**

CLAHEC receives substantially all of its operating support from funds provided through grants administered by the Louisiana State University and Agricultural and Mechanical College. The grant amounts are appropriated each year by the Federal government and the State of Louisiana. Management is not aware of any actions that would adversely affect the aggregate amount of funds CLAHEC will receive in the next fiscal year.

#### **NOTE 7 Operating Leases**

CLAHEC leases its office space, certain furnishings and housing for medical students under operating lease agreements. Details of each lease are listed below.

Office Building and Furnishings: CLAHEC signed an operating lease agreement on May 13, 2013 for office space and furnishings at a monthly amount of \$ 2,134 with the Learning Center for Rapides Parish. The lease expires June 30, 2014 with a renewable option.

Baton Rouge Office: CLAHEC signed an operating lease agreement on December 21, 2004 on office space in Our Lady of the Lake building in Baton Rouge. The lease is renewable annually at \$ 1,200 and paid quarterly. During the year ended June 30, 2013, CLAHEC paid \$ 1,200 under this lease.

Future payments under these lease agreements for the year ending June 30, 2014 are \$ 26,804.

#### **NOTE 8 Other Contracts and Agreements**

CLAHEC entered into an agreement with the Department of Veteran's Affairs Medical Center in Alexandria Louisiana for the purpose of establishing a Learning Resource Center. The Learning Resource Center's mission is to provide health care professionals who practice in the underserved and rural areas of Central Louisiana access to library services. CLAHEC's support of the Learning Resource Center is to provide equipment, furnishings and computers. Any equipment provided by CLAHEC to the center remains the property of CLAHEC. CLAHEC also provides supplies including books, journals, periodicals and database services.

#### **NOTE 9 Subsequent Events**

Management has evaluated subsequent events through September 17, 2013 which is the date the financial statements were available to be issued. There were no events that required disclosure.

# Paul Dauzat, CPA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Central La. Area Health Education Center, Inc.  
Alexandria, Louisiana

I have audited the financial statements of the Central La. Area Health Education Center, Inc. as of and for the year ended June 30, 2013, and the related notes to the financial statements and have issued my report thereon dated September 17, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Central La. Area Health Education Center, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central La. Area Health Education Center, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Central La. Area Health Education Center, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Central La. Area Health Education Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, board of directors, others within the entity, and government entities and is not intended to be and should not be used by anyone other than these specified parties.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul Dauzat  
Certified Public Accountant  
September 17, 2013

**CENTRAL LOUISIANA AREA HEALTH EDUCATION CENTER, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONNED COSTS**  
**June 30, 2013**

There were no findings for the year ended June 30, 2012.